

RIEDEL PAPER CORPORATION
TRIAL BALANCE
PERIOD 13 DATE 1/2/72

	CAPITAL ASSETS	CONTROLLER				PAPER-NJ			
280	Land		844	329	06				
281	Buildings		39	915	993	22			
282	Machinery, F & F		129	387	584	66			
283	Proceeds Sale								
284	P. O. In Process								
	Total Land, Bldg, Mach.	170	147	906	94	550	281	54	
						550	281	54	
285	S Res. Dispos. & Redeploy.	(10	791	816	00)				
285	Res. For Depreciation	(75	045	718	43)				
286	Res. Depr. - Current Year	(7	779	747	00)				
	Total Res. For Depr.	(93	617	281	43)				
	Net Land, Bldg, Mach.	76	530	625	51	550	281	54	
287	Timberlands		14	473	281	85			
288	Proc. Sale - Timberlands								
289	P.O. In Proc. - Timbl'ds								
	Total Timberlands	14	473	281	85				
290	Res. For Depletion	(4	630	372	87)				
291	Res. Depl. - Current Year								
292	Total Res. For Depletion	(4	630	372	87)				
	Woodlands Capitalized Hold.								
	Net Timberlands	9	842	908	98				
	TOTAL CAPITAL ASSETS	86	373	554	49	550	281	54	
306	Receivable-Comm. Concepts								
307	Anson Wood Products Lease		100	000	00				
308	Patents								
309	Deferred Legal Expense								
310	Financing Exp. Deferred	348	682	72					
311	Leasehold Improvements	115	514	11					
312	Vouchers Undist. - Long Term	15	500	55		6	259	12	
313	Receivables - Emp. Loans	9	735	89					
314	Securities - Other Co.	4	501	00					
315	Rec. - 2nd Mort. R'wood.								
316	Options								
317	Manuf. Mach. Rentals								
318	Goodwill								
319	Leased Mach. Rentals	(60	000	00)					
	Total Other Assets	533	934	27		6	259	12	

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		CONTROLLER		PAPER-NJ					
320	Investment in Subsidiaries	2	633	282	25				
321	Investment in Non-Consol. Sub.		300	074	00				
322	Investment in Affiliates		61	670	60				
323	Investment in Georgia-Pacific	4	396	728	00				
	TOTAL ASSETS	113	966	029	11	2	192	988	14
	INC. TAX DEFERRED								
330	Res. F.I.T. - Deferred	13	462	491	11				
331	Res. S.I.T. - Deferred		528	000	00				
	Total Inc. Tax - Def.	12	934	491	11				
	FUNDED DEBT								
335	Notes Payable - Long Term	19	194	575	00				
336	5 1/4% S.F. Debentures	15	435	000	00				
337	3 7/8% S.F. Debentures	13	540	000	00				
338	3 3/4% S.F. Debentures	14	800	000	00				
339	6 3/8% S.F. Debentures	112	500	000	00				
	Total Funded Debt	135	469	575	00				
340	Res. for Extraordinary Losses	5	905	713	17				
	NET ASSETS	69	656	249	83	2	192	988	14
	STOCKHOLDERS' EQUITY								
345	Preferred Stock	112	500	000	00				
346	Common Stock	122	442	180	00				
347	Paid in Surplus	115	367	474	92				
349	Dividends - Preferred		812	500	00				
350	Dividends - Common	1	977	720	90				
351	Profit and Loss	10	076	139	99				
352	Earned Surplus	36	043	276	76				
	Total Earned Surplus	123	176	915	87				
353	Treasury Stock	1	371	715	60				
	TOTAL STOCKHOLDER EQUITY	72	114	855	19				

EXHIBIT 4

TO

SCHEDULE A

<u>U.S. Patent Number</u>	<u>Foreign Patent No.</u>	<u>Inventor</u>	<u>Date Issued</u>	<u>Country</u>
2,484,676		G. L. Bidwell	10-11-49	
2,406,990	497,799	George Borden, et al George Borden, et al	9-3-46 11-7-53	Canada
2,488,700		George L. Bidwell	11-22-49	
2,610,939	526,332	Jacob I. Fisher, et al Jacob I. Fisher, et al	9-16-52 6-12-56	Canada
2,635,045		Andrew Bixler, et al	4-14-53	
2,635,958		Daniel Dieffenderfer, et al	4-21-53	
2,574,526	528,553	George Borden, Jr. George Borden, Jr.	11-13-51 7-31-56	Canada
2,668,769		Ralph W. Schlienz	2-9-54	
2,716,315	544,917	Harry L. Jacoby Harry L. Jacoby	8-30-55 8-13-57	Canada
2,776,913	566,816	Wm. E. Anderson Wm. E. Anderson	1-8-57 12-2-58	Canada
2,636,833		George Borden, Jr.	4-28-53	
2,792,765	561,482	Robert Kerridge, et al Robert Kerridge, et al	5-21-57 8-5-68	Canada
2,854,894	624,358	Richard Kline, et al Richard Kline, et al	10-7-58 7-25-61	Canada
2,793,117	562,463	Ward D. Harrison Ward D. Harrison	5-21-57 8-26-58	Canada
2,895,868	598,526	Donald Magill, Jr. Donald Magill, Jr.	7-21-59 5-24-60	Canada
3,121,657		Donald Magill, Jr.	2-18-64	
2,960,559	665,915	Donald Magill, Jr. Donald Magill, Jr.	11-15-60 7-2-63	Canada
2,975,094	623,976	Wm. L. Anderson Wm. L. Anderson	3-14-61 7-18-61	Canada

<u>U.S. Patent Number</u>	<u>Foreign Patent No.</u>	<u>Inventor</u>	<u>Date Issued</u>	<u>Country</u>
3,057,772	626,091	Donald Magill, Jr., et al Donald Magill, Jr., et al	10-9-62 8-22-61	Canada
3,174,889	613,238	Wm. E. Anderson, et al Wm. E. Anderson, et al	3-23-65 1-24-61	Canada
3,046,823		James E. Cole	7-31-62	
3,052,295	616,830	Donald Magill, Jr. Donald Magill, Jr.	9-24-62 3-21-61	Canada
3,057,771	679,287	Willard Schenck Willard Schenck	10-9-62 2-4-64	Canada
3,012,928		Robert M. Whitman	12-12-61	
3,096,229	722,615	Robert M. Whitman Robert M. Whitman	7-2-63 11-30-65	Canada
3,119,733	697,179	Joseph Wilson, et al Joseph Wilson, et al	1-28-64 11-3-64	Canada
3,095,345		Richard Jackson, et al	6-25-63	
3,095,315		Donald Magill, et al	6-25-63	
3,182,632	746,428	Janis Vazdikis Janis Vazdikis	5-11-65 11-15-66	Canada
3,293,115	822,583	Trygve C. Lucken Trygve C. Lucken	12-20-66 9-9-69	Canada
3,350,484	827,777	Donald Magill Donald Magill	10-31-67 11-18-69	Canada
3,339,162		H. Lee Burnsteel, et al	8-29-67	
3,458,375	791,098	Richard Williams Richard Williams	7-29-69 7-30-68	Canada
3,408,240	791,097	Richard Williams Richard Williams	10-20-68 7-30-68	Canada
3,367,008		William H. Hodge	2-6-68	
3,501,295	845,057	Donald E. Hanson Donald E. Hanson	3-17-70 6-23-70	Canada
3,532,031		A. L. Moss	10-6-70	

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<u>U.S. Patent Number</u>	<u>Foreign Patent No.</u>	<u>Inventor</u>	<u>Date Issued</u>	<u>Country</u>
	519,261	George C. Borden, Jr.	12-6-55	Canada
	682,657	George C. Borden, Jr.	5-24-64	Canada
	662,943	George C. Borden, Jr.	5-14-63	Canada
	598,660	Richard Jackson, et al	5-24-60	Canada
	673,755	Donald Magill, et al	11-5-63	Canada
	647,056	Ward D. Harrison, et al	8-21-62	Canada
	835,882	Donald E. Hanson	3-3-70	Canada
79,184		John C. Bowman	10-8-70	
	997,507	Adam F. Kaliski	8-10-67	Canada
3,012,929		Richard Jackson	2-10-57	
	600,775	Richard Jackson	10-28-57	Canada
830,922		John C. Bowman	5-27-69	

EXHIBIT 5
TO
SCHEDULE A

REGISTERED TRADEMARKS

<u>Mark</u>	<u>Class</u>	<u>Product</u>	<u>Registration Number</u>	<u>Registration Date</u>
Celowax	37	Waxed wrapping paper and waxed paper for lining cartons and boxes	247,157	9/18/28 (renewed 1948 and 1968)
Certifine	37	Tympan Paper and Bristol Board	288,073	10/20/31
Crystallon	37	Decorated Paper used as printing paper, wrapping paper, and for making greeting cards	318,529	10/30/34 (renewed 1954)
Drumhead	37	Tympan Paper	290,444	1/5/32 (renewed 1952)
Glascel	37	Paper made from a mixture of Glass and Cellulosic fibers in which the glass fibers predominate	689,513	12/8/59
Glenwite	37	Envelope and Printing Paper	373,380	12/5/39 (renewed 1959)
Jersey	37	Printing Paper	728,554	3/13/62
Linpaco	37	Bond Paper, Mimeo Paper, Duplicator Paper, Ledger Paper, Index Paper, Bristol Paper, and Gummed Paper	774,150	7/28/64
Miraline	37	Glassine and Greaseproof Paper	737,167	9/4/62
Oxtex	37	Wrapping Paper	367,664	5/23/39 (renewed 1959)
Parchwrap	37	Greaseproof and Imitation Parchment Paper	296,365	8/2/32 (renewed 1952)

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<u>Mark</u>	<u>Class</u>	<u>Product</u>	<u>Registration Number</u>	<u>Registration Date</u>
Presspak	37	Paper and, in particular, Offset Packing Paper	763,528	1/21/64
Printapouch	37	Kraft Paper	728,855	3/20/62
Reddirap	37	Packaging Paper	669,918	11/18/58
Reddirap	37	Packages of Greaseproof and Waxed Wrapping Paper for use in metal dispensing containers	348,644	8/3/37 (renewed 1957)
Riegelease	37	Papers designed to have minimum surface adherabil- ity characteristics whereby to release freely from sur- faces with which they may be placed in contact	681,486	7/7/59
Riegeline	37	Glassine Paper	301,001	2/14/33 (renewed 1953)
Canada		Glassine Paper	NS 298	1/28/63
Riegelite	37	Waxed Papers, Plain Glassine Paper, Waxed Glassine Paper, Transparent Wrapping Paper, Wax Sulphite and Cake and Bread Wrap	290,806	1/19/32 (renewed 1952)
Riegel-Pak	37	Treated Kraft and Glassine Paper	614,847	10/25/55
Riegel's Polar Tag	37	Paper, namely, Heavy Tag Stock	341,242	12/1/36 (renewed 1956)
Riegelwrap	37	Wrapping Papers including Glassine and Grease-proof Papers, Waxed Papers and Waxed Glassine Papers	680,459	6/16/59
Sheerene	37	Wrapping Paper	265,875	1/7/30 (renewed 1950 and 1969)
Scintilla	37	Artists' Papers	764,722	2/11/64
Snopague	37	Kraft, Sulphite and Glassine Paper, either Waxed or Unwaxed	582,782	11/24/53
Canada		Kraft, Sulphite and Glassine Paper, either Waxed or Unwaxed	N.S.1/300	1/28/33 (renewed 1963)

<u>Mark</u>	<u>Class</u>	<u>Product</u>	<u>Registration Number</u>	<u>Registration Date</u>
Sno-Seal	37	Waxed Sulphite Papers	313,046	5/15/34 (renewed 1954)
Stripease	37	Separating and Interleaving Kraft Paper	741,640	12/4/62
Superleaving	37	Interleaving Paper	680,468	6/16/59
Synthacel	37	Paper or Paper Board made of Synthetic Fibers	686,906	10/20/59
Thermomat	37	Thermosetting mats for the graphic arts industries made of resin impregnated paper	643,923	4/9/57
Transoline	37	Transparent Sulphite Paper used as a base for transparent waxed sulphite paper	318,246	10/16/34 (renewed 1954)
Transolite	37	Wrapping Papers, namely waxed papers, plain and waxed glassine papers, transparent wrapping paper, wax sulphite paper and cake and bread wraps, excluding papers for office equipment	304,089	6/20/33 (renewed 1953)
Tuf-Red	37	Wallet Paper	774,547	8/4/64
Tuf-Tag	37	Paper made in weights 24x36-100 lb. and heavier	144,281	6/28/21 (renewed 1941 and 1961)
Tufwhite	37	Paper, namely, Tag Stock	618,249	12/27/55
20th Century	37	Printing Bristol, Cover, and Tag Paper	675,261	3/10/59

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UNREGISTERED TRADEMARKS

<u>Mark</u>	<u>Product</u>
Highlight	Paperboard Finish
Make Ready	Drumhead tympan and Presspak
Jute Tag	Tag stock
Weatherproof Bristol	Wet strength outdoor paperboard
X-Jute	Pattern Paper
Beaming	Heavyweight industrial paperboard

EXHIBIT 6
TO
SCHEDULE A
COPYRIGHTS

<u>Design Number</u>	<u>Publication Date</u>	<u>Expiration Date</u>	<u>Copyright Number</u>
Kaleidoscope 52 Riegel Jersey	10/25/67	10/25/95	Kk986856
A Guide to Makeready Paper Sales Think Riegel	1/20/71	1/20/99	A220885

Schedule B

Non-Exclusive List of
Liabilities Assumed

Note: All terms used in this Schedule B which are defined in the Purchase Agreement have the same meaning assigned to such terms in the Purchase Agreement and the Schedules thereto, and such definitions are incorporated herein by reference. References to "Account No." in this Schedule B are to the number of the account in which each liability described in this Schedule B was carried on the books of account and records of Riegel as at January 3, 1972.

- (1) Accounts Payable -- Employees: Account No. 200 - Reserve for Vacations, Account No. 201 - Reserve for Holiday Pay, and Account No. 202 - Reserve for Christmas Bonus

1. Accrued liabilities for vacations, holiday pay and Christmas bonuses recorded on the New Jersey Ledger are allocated to the New Jersey Operations.

2. Accrued liabilities for vacations, holiday pay and Christmas bonus recorded on the Corporate Ledger for employees whose employment is being transferred from Federal to RPC are allocated to the New Jersey Operations.

- (2) Accounts Payable Trade

The accounts payable represented by the following accounts:

- (a) Account No. 240-Accounts Payable

1. Accounts payable recorded on the New Jersey Ledger are allocated to the New Jersey Operations.

2. Accounts payable recorded on the Corporate Ledger are allocated to the New Jersey Operations on a specific identification basis.

(b) Account No. 241-Accounts Payable - Other

Accounts payable - other recorded on the New Jersey Ledger are allocated to the New Jersey Operations.

(c) Account No. 242-Freight Payable

Freight payable recorded on the New Jersey Ledger is allocated to the New Jersey Operations.

(d) Account No. 243-Accrued Power

Accrued liabilities for electricity and gas recorded on the New Jersey Ledger are allocated to the New Jersey Operations.

(3) Accounts Payable Accrued

The accounts payable represented by the following accounts:

(a) Account No. 248-Accrued Local Property Tax

Accrued local property taxes recorded on the New Jersey Ledger are allocated to the New Jersey Operations.

(b) Account No. 252-Accrued Royalties

Accrued royalties recorded on the New Jersey Ledger are allocated to the New Jersey Operations.

(4) Reserve for Shutdown

Reserves for planned shutdown in the ordinary course of operations (Account No. 272) recorded on the New Jersey Ledger are allocated to the New Jersey Operations.

(5) Obligations

Exhibits 1 and 2, which are affixed to this Schedule B and which are made a part hereof, constitute a partial listing of the obligations to be assumed by RPC.

EXHIBIT 1

TO

SCHEDULE B

LICENSE AGREEMENTS

1. License Agreement dated January 1, 1967 with Mead Corporation as licensee covering Jackson Patent No. 3,012,929 (method of making a paper product with glass and other special fibers).
2. License Agreement dated February 14, 1969 with Modern Controls, Inc. as licensee covering "Diffusometer" (instrument used to measure the rate of transport of water vapor through a barrier material and to use Riegel's name).
- ✓3. License Agreement dated July 1, 1970 with Wiggins Teape as licensee covering manufacture and sale of filter paper in the United Kingdom
- ✓4. License Agreement dated November 1, 1969, as amended, with Georg Drewson Feinpapierfabrik as licensee covering electrofax base paper manufacturing know-how.
- ✓5. License Agreement dated February 25, 1966 with Inveresk Paper Company as licensee covering electrostatic copy paper know-how.
6. License Agreement dated February 1, 1965 with Rice Barton Corporation as licensee covering Wilson & Geiger Patent No. 3,119,733 (distribution plate for paper machine headbox).
7. License Agreement dated July 7, 1964 with Riegel Textile Corporation as licensor covering Battery Separators.
- ✓8. License Agreement dated January 1, 1962, as amended, with McGraw-Edison Company as licensor covering TherMEcel.
9. License Agreement dated March 8, 1956, as amended, with International Business Machines covering tabulating cards and tabulating machinery.
10. License Agreement dated July 14, 1961 with Jasper Mardon as licensee covering patent No. 3,119,733 (distribution plate for paper machine headbox).
- ✓11. License Agreement dated August 1, 1971 with Esso Research and Engineering Company as licensor covering non woven thermoplastic web.

12. License Agreement (limited and royalty free) to be granted by Rexham Corporation covering Grim-Weiloch patent No. 3,403,048 (heat sealable and water vapor proof solvent coating).
13. License Agreement (limited and royalty free) to be granted by Rexham Corporation covering patent No. 3,532,536 (improved heat sealable and water vapor solvent coating).
14. License Agreement dated February 1, 1965 with Manchester Machine Company as licensee covering patent No. 3,119,733 (distribution plate for machine head box).
15. License Agreement dated May 29, 1969 with Haskins & Sells concerning Auditape System (computer software).
16. License Agreement dated April 24, 1956 with John W. Bolton & Sons, Inc. as licensee covering Kline-Wilson patent No. 2,854,894 (pulp treating system).
17. License Agreement dated April 1, 1966 with Westinghouse Electric Corporation as licensor concerning Insuldur.
18. License Agreement dated July 1, 1964 with RCA as licensor concerning electrofax paper.

EXHIBIT 2
TO
SCHEDULE B
CONTRACTS AND AGREEMENTS

1. Agreement dated July 25, 1966 with Burkham Brothers, Inc. for transportation of goods.
2. Agreement dated February 1, 1966, as amended, with Elizabethtown Gas Company extending facilities for the service of natural gas to the Milford, N. J. and Warren Glen, N. J. plants.
3. Contract dated February 1, 1966, as amended, with Elizabethtown Gas Company for service of natural gas to the Milford, N. J. and Warren Glen, N. J. plants
4. Agreement dated March 3, 1970 with New Jersey Power & Light Company and National Energy Leasing Company for installation of a power complex at Milford, N. J.
5. Agreement dated March 3, 1970 with National Energy Leasing Company for steam service at Milford, N. J.
6. Agreement dated March 3, 1970 with National Energy Leasing Company for operation of steam facilities at Milford, N. J.
7. Agreement dated March 3, 1970 with National Energy Leasing Company in connection with the payment of taxes on the power complex situated at Milford, N. J.
8. Agreement dated March 3, 1970 with New Jersey Power & Light Company for the operation of electrical facilities at Milford, N. J.
9. Lease Agreement dated March 3, 1970 with National Energy Leasing Company for buildings in connection with the power complex at Milford, N. J.
10. Lease Agreement dated March 3, 1970 with New Jersey Power & Light Company for facilities in connection with the power complex at Milford.
11. Agreement dated June 23, 1970 with Herty Foundation for Research Project 959 in connection with Battery Separators.
12. Agreement dated December 10, 1970 with David S. Most for consulting services in reprography and other areas of papermaking and converting.
13. Agreement dated May 28, 1963, as amended, with C. E. Stevens Bros. Inc.
14. Agreement dated January 27, 1971, with Hertz Vehicle Management Corporation in connection with automobile fleet leasing.

15. Those agreements and leases in connection with computers that are located at the New Jersey plant.
16. Agreement dated April 16, 1971 with Eltra Corporation, Presto-lite Division, in connection with battery separators (being executed).
17. Research Agreement dated May 21, 1970 with Polymer Research Corporation of America.
18. Agreement dated August 10, 1970 with Parchment & Paper Products Co. Inc. for the purchase of "Butterwrap".
19. Agreement dated July 9, 1971 with William H. Hoge concerning synthetic paper products.
20. Agreement dated December 16, 1969 with Hubert Ryan, as Trustee (Hertz Vehicle Management Corporation) in connection with automobile fleet leasing.
21. Indemnifications with the following concerning infringement of the Middleton Patent, No. 3,121,006, owned by Xerox Corporation:
 - (a) Atlantic Photocopy Corporation, July 2, 1971.
 - (b) ICP, Inc., May 11, 1971.
 - (c) Sperry-Rand Corporation, Remington Rand Division, February 29, 1968.
 - (d) Copystatic Manufacturing Corporation (if executed).
22. Contract dated December 21, 1970 with National Biscuit Company concerning the supply of glassine and waxed papers during 1971.
23. Guarantees given in the ordinary course of business and as contemplated by Section 303 of the Federal Food, Drug and Cosmetic Act.
24. Service Agreements with International Business Machines Corporation concerning computer equipment and service at the following locations:
 - (a) Agreement Number E-79776, as amended, accepted by IBM August 20, 1965 with respect to process computer at the Milford, N. J. plant.
 - (b) Agreement Number E-83924, as amended, accepted by IBM August 7, 1967 for equipment at Milford, N.J.
25. Lease dated July 10, 1970 with Applied Data Research, Inc. concerning computer products at the Milford, N. J. plant.
26. Contract dated July 24, 1970 with Vendere International Marketing Corp. for computer software to be used at Milford, N. J.

27. Agreement dated December 30, 1970 with Computing Efficiency Inc. for the purchase of computer software.
28. Lease Agreement dated October 12, 1970 with Trapelo Division of LFE Corporation, as lessor, for Beta Gage System at the Milford, N. J. plant.
29. Distributorship Agreement dated July 24, 1970 with Fitchburg Coated Products, Inc. concerning 44 lb. M.C. facsimile paper.
30. Distributorship Agreement dated August 7, 1970 with Diamond Manufacturing & Supply Co. with respect to electrostatic coated copy paper.
31. Distributorship Agreement dated November 1, 1971 with Capital Paper Company, Inc. relating to paper grade Special W.I.
32. Contract dated March 1, 1971 with Honeywell Inc. for the purchase of strip chart and circular chart.
33. Contract (#S-A-718) dated September 8, 1971 with Sunshine Biscuits, Inc. for the purchase of plain glassine paper.
34. Contract (#S-A-717) dated September 8, 1971 with Sunshine Biscuits, Inc. for purchase of plain glassine paper.
35. Contract dated November, 1970 with Brachetta S.A. for the purchase of rib striping machine, technical assistance and battery separator paper.
36. Agreement dated January 1, 1972 with Borough of Alpha, County of Warren, New Jersey concerning garbage dumping.
37. Lease Agreement dated April 27, 1967 with Atlantic Richfield Company concerning underground tank and pump.
38. Sales Contract dated January 21, 1970 with The Borden Chemical Company for the purchase of methyl alcohol.
39. Agreement dated April 22, 1969 with Cheney Pulp & Paper Company for the purchase of jute pulp.

40. Lease Agreement dated November 12, 1969 with Cheney Pulp & Paper Company concerning rope cutting machine.
41. Agreement dated December 27, 1971 with Frank H. Davis Company Inc. for exclusive sale of surplus equipment.
42. Sales Contract dated August 13, 1971 with Amerada Hess Corporation for the purchase of fuel oil.
43. Agreement dated January 13, 1971 with Getty Oil Company for the purchase of tycol albawax.
44. Term Agreement dated April 12, 1956 with New Jersey Bell Telephone Company for telephone equipment.
45. Term Agreement dated June 13, 1956 with New Jersey Bell Telephone Company for telephone equipment.
46. Agreement dated May 25, 1971 with Air Products and Chemical, Inc. for the purchase of various gases.
47. Agreement dated August, 1971 with the Pittston Company for the purchase of fuel oil.
48. Discount Agreement dated July 6, 1971 with DeSoto, Inc. for electrostatic resin binders.
49. Agreement dated February 9, 1970 with Memorex Leasing Corporation for lease of Memorex equipment.
50. Agreement dated March 30, 1970 with Purolator Incorporated for lease of paper forming machine.
51. Agreement dated as of May 1, 1970 with the Hunterdon County YMCA and the Riegel Community Foundation, Inc. creating secondary liability for certain subsidy payments due from the Foundation to the YMCA for operating the Riegel Ridge Community Center.
52. Contract with Industrial Communications Co. for maintenance of communications equipment.
53. Term Agreement dated January 1, 1972 with New Jersey Bell Telephone Company for telephone equipment to the extent it directly relates to the New Jersey Operations.

CONFIDENTIAL DISCLOSURES

1. Confidential Disclosure Agreement dated November 4, 1966 with Dennison Manufacturing Company in connection with electrostatic reproduction processes.
2. Confidential Disclosure Agreement dated March 10, 1971 with Esso Research and Engineering Company in connection with non-woven polypropylene.
3. Confidential Disclosure Agreement dated July 12, 1961 with Fram Corporation in connection with the filter media field.
4. Confidential Disclosure Agreement dated June 24, 1968 with Remington Rand Office Machines in connection with photo copy paper.
5. Confidential Disclosure Agreement dated January 10, 1961, as amended, with Polaroid Corporation in connection with photographic products.
6. Confidential Disclosure Agreements dated October 30, 1970 and February 10, 1971 with Johns-Manville Products Corporation in connection with pvc bonded asbestos paper at Warren.
7. Confidential Disclosure Agreement dated January 27, 1971 with Hilord Chemical Company in connection with coated copy paper.
8. Confidential Disclosure Agreement dated October 14, 1970 with Terkavoski Paper Mills in connection with filter paper.
9. Confidential Disclosure Agreement dated October 12, 1970 with Columbia Ribbon and Carbon Mfg. Co. in connection with "contact carbon".
10. Confidential Disclosure Agreement dated November 26, 1969 with Allis-Chalmers Manufacturing Co. in connection with cellulosic insulation for electrical equipment.
11. Confidential Disclosure Agreement dated June 30, 1969 with Tinicum Research Company in connection with dense paper products.
12. Confidential Disclosure Agreement dated January 27, 1966 with Archer Daniels Midland Company in connection with office copy paper.
13. Confidential Disclosure Agreement dated March 2, 1971 with Johns-Manville Products Corporation in connection with test filters.

14. Confidential Disclosure Agreement dated March 17, 1969 with Riegel Textile Corporation in connection with flushable paper (if executed).
15. Confidential Disclosure Agreement with RCA in connection with home facsimile development (if executed).
16. Confidential Disclosure Agreement dated April 28, 1971 with Montrose Paper Mills in connection with flame retardant electrical papers.
17. Confidential Disclosure Agreement dated July 2, 1970 with Decitron Communications Systems, Inc. and Decitron Electronics Corporation Inc. in connection with dielectric coated facsimile paper.
18. Confidential Disclosure Agreement dated November, 1969 with Chapman Industries, Inc. in connection with release type coating (if executed).
19. Confidential Disclosure Agreement dated August 12, 1971 with Tinicum Research Company in connection with certain paper products.
20. Confidential Disclosure Agreement dated April 4, 1969 with Opto/Graphics, Inc. in connection with zinc oxide coating to conductive base paper.
21. Confidential Disclosure Agreement with Ethyl Corporation in connection with sintered polyvinyl chloride separators (if executed).
22. Confidential Disclosure Agreement dated August 2, 1966 with Old Town Corporation in connection with coating electrostatic copying paper.
23. Confidential Disclosure Agreement dated July 26, 1966 with Minnesota Mining & Manufacturing in connection with 3 MMF paper.
24. Confidential Disclosure Agreement dated September 18, 1967 with Uniroyal, Inc. in connection with latex as agent for electrophotographic copying paper.
25. Confidential Disclosure Agreement dated October 24, 1971 with Duplicon Corporation in connection with photoreceptor material.
26. Confidential Disclosure Agreement dated October 6, 1970 with Beloit Corporation in connection with aqueous coatings.
27. Confidential Disclosure Agreement dated December, 1969, with Synthane-Taylor Corporation in connection with pulp wood paper for conversion into vulcanized fiber.

Schedule C

Liabilities - Not Assumed

Note: All terms used in this Schedule C which are defined in the Purchase Agreement have the same meaning assigned to such terms in the Purchase Agreement and the Schedules thereto, and such definitions are incorporated herein by reference.

(1) RPC does not assume any liability for (a) that portion of the accounts referred to in Schedule B which was not specifically allocated therein to the New Jersey Operations or (b) any amount which would not have been allocated to the New Jersey Operations had such amount been known.

(2) RPC does not assume any liability for the amounts which are or shall have been recorded prior to the Closing Date in, or for any obligation represented by the amounts which are or should have been recorded in, the accounts listed in Exhibit 1 to this Schedule C.

(3) RPC does not assume any liability for warehousing other than (a) obligations to public warehouses or other facilities used solely for storage of the products of the New Jersey Operations and (b) that part of any obligation to public warehouses or other facilities,

in which products of the New Jersey Operations as well as products of other Federal operations are stored, which is attributable to storage of products of the New Jersey Operations.

(4) RPC does not assume any liability for lease obligations for buildings and office space other than as described in Exhibit 2 to Schedule B.

(5) RPC does not assume any liability for obligations with respect to claims of customers or others with respect to breach of warranty or product liability in connection with the products or product lines of the New Jersey Operations sold prior to the Closing Date to the extent that such claims are covered by insurance.

(6) RPC does not assume any liability for obligations arising under the license agreements described and enumerated in Exhibit 2 to this Schedule C.

(7) RPC does not assume any liability for obligations arising under the contracts and agreements described and enumerated in Exhibit 3 to this Schedule C.

(8) RPC does not assume any liability for termination and/or severance payments, special pension payments, contracts, or similar obligations (a) with respect to employees of Federal or Riegel

whose employment with Federal or Riegel ended prior to January 25, 1972, and (b) with respect to any other employees of Federal who hold or held positions outside of the New Jersey Operations or who are or were employed in the computing and corporate accounting groups whose employment with Federal ends prior to the Closing Date.

(9) RPC does not assume any liabilities for costs, fees, and expenses incurred in connection with the Federal-Riegel spin-off and merger or for costs, fees, and expenses incurred in connection with the sale of the New Jersey Operations to RPC except for (a) 50% of costs, fees and expenses of the independent public accountants incurred in connection with the preparation of the Adjustment Audit, (b) 50% of the costs, fees, and expenses incurred in connection with the survey which must be made of the lands being transferred to RPC pursuant to the Agreement, and (c) 50% of real estate transfer taxes in excess of \$2,000.00.

(10) RPC does not assume any liability for any tax relating to activities prior to the Closing Date except real and personal property taxes to the extent accrued.

(11) RPC does not assume any liability for claims for property damage or personal injury and/or disability arising prior to the Closing Date to the extent covered by insurance.

(12) RPC does not assume any liability for present commitments for future payments in the nature of contributions or for fees or dues to trade associations or charitable organizations except for the agreements described and enumerated in Exhibit 2 to Schedule B and

except for such commitments made by those officers or employees of Federal who are employed in the New Jersey Operations at the date of the Purchase Agreement.

(13) RPC does not assume any liability for oral or written commitments made by Federal or Riegal (other than those made by officers or employees employed at the New Jersey Operations) entered into prior to the Closing Date for the purchase of pulp.

EXHIBIT 1

TO

SCHEDULE C

Accounts - Not Assumed

Account No. 190 - Notes Payable

Account No. 203 - Reserve - Incentive Pay

Account No. 204 - Reserve - Special Pay

Account No. 205 - Reserve - Employee Welfare

Account No. 207 - Salaries and Wages Payable

Account No. 208 - Commissions Payable

Account No. 209 - Reserve for SUI

Account No. 210 - Reserve for FUI

Account No. 211 - Reserve for FOAB

Account No. 212 - Collections - SUI

Account No. 213 - Collections - FOAB

Account No. 214 - Collections - Disability Insurance

Account No. 215 - Collections - Withholding

Account No. 216 - Collections - Union Dues

Account No. 217 - Collections - Employee Savings

Account No. 218 - Collections - Hospital Plan

Account No. 219 - Collections - State Income Tax

Account No. 220 - Collections - Christmas Club

Account No. 221 - Collections - Federal Credit Union

Account No. 222 - Collections - Savings Bond

Account No. 223 - Collections - Riegelwood Housing

Account No. 224 - Collections - United Community Fund
Account No. 225 - Collections - Garnishes
Account No. 226 - Collections - Riegelwood Country Club
Account No. 227 - Collections - Employee Uniforms
Account No. 228 - Collections - City Withholding Tax
Account No. 229 - Collections - Pensions
Account No. 230 - Collections - Stock Option
Account No. 231 - Collections - Keystone Fund
Account No. 244 - Professional Services
Account No. 249 - Accrued Franchise Tax
Account No. 253 - Accrued Rent
Account No. 254 - Accrued Sales and Use Tax
Account No. 255 - Accrued Interest - Commitment Fee
Account No. 256 - Accrued Interest - Credit Notes
Account No. 257 - Accrued Interest - Debentures
Account No. 259 - Accrued Interest - Stock Option
Account No. 261 - Accounts Payable - Community Concepts
Account No. 262 - Accounts Payable - Laminex
Account No. 263 - Accounts Payable - Techbuilt
Account No. 264 - Accounts Payable - Mohawk
Account No. 265 - Retirement - Debentures
Account No. 268 - Reserve - Federal Income Tax
Account No. 269 - Reserve - State Income Tax
Account No. 270 - Reserve for Contingencies - General
Account No. 274 - Reserve for Contributions

Account No. 278 - Dividends Payable

Account No. 330 - Reserve Federal Income Tax - Deferred

Account No. 331 - Reserve State Income Tax - Deferred

Account No. 335 - Notes Payable - Long Term

Account No. 330 - 5-1/4% Sinking Fund Debentures

Account No. 337 - 3-7/8% Sinking Fund Debentures

Account No. 338 - 3-3/4% Sinking Fund Debentures

Account No. 339 - 6-3/8% Sinking Fund Debentures

Account No. 340 - Reserve for Extraordinary Losses

EXHIBIT 2

TO

SCHEDULE C

License Agreements - Not Assumed

1. License Agreement dated 1968 with Arthur D. Little, Inc. as licensor concerning patent Nos. 3,108,009 and 3,157,533 (high gloss paper and paper board).
2. License Agreement dated May 1, 1971 with American Paper Institute covering right to reproduce recycling seal trade mark.

EXHIBIT 3

TO

SCHEDULE C

Contracts and Agreements - Not Assumed

1. Contract Agreement dated January 27, 1966 with Corprex Chemical Company concerning felt-like material.
2. Contract September 18, 1969 with Aluminum Company of America for a purchase of aluminum foil.
3. Agreement dated January 16, 1964 with Polaroid Corporation for the purchase of Type 100 Tab and Leader.
4. Contract with Polaroid Company in connection with the Espresso Project.
5. Agreement dated November 14, 1969, as amended, with Georgia-Pacific Corporation for the purchase of hardwood and softwood pulp.
6. Membership Agreement effective August 26, 1968, as amended, with the Institute of Paper Chemistry for Research and Development.
7. Lease Agreement dated July 1, 1969 with Coastal States Petroleum, Inc., as lessee, for oil and gas wells.
8. Sales Representative Agreement dated August 30, 1967 with H. L. Fruchtman for white tag and file folder.
9. Sales Agency authorization dated September 29, 1961, as amended, with Central National Corporation for export sales.

10. Agreement dated December 23, 1970 with Executive Jet Aviation, Inc. for flight service.
11. Universal Subscribers Contract dated March 1, 1965 with United Airlines.
12. Agreement dated February 1, 1971 with Stevens Aviation, Inc. for executive flight service.

Confidential Disclosure Agreements -
Not Assumed

1. Confidential Disclosure Agreement dated 1968 with Air Products and Chemicals, Inc. in connection with fluoro-chemical intermediates for paper coatings.
2. Confidential Disclosure Agreement with General Mills, Inc. in connection with Bentonite (if executed).
3. Confidential Disclosure Agreement with Simpson Lee Paper Company (if executed).

Schedule D

Paragraph 1.

New Jersey Operations Computation of Tentative
Purchase Price

Part A:

Receivables	\$3,309,855
Inventories	5,454,095
Prepays	12,375

Plant Orders in Process
Expenditures in Excess of
the Amount Described in
Section 3(ii) of the
Purchase Agreement

-0-

\$8,776,325

Additional Land

42,000

\$8,818,325

Less Part B:

Payables	\$1,933,921
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Accrued Liabilities	<hr/> 114,386
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Tentative Purchase Price	<hr/> <hr/> \$6,770,018
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*not covered
by representation
in Section 14(F)
of PTK*

New Jersey Operations
Balance Sheet Accounts Used to Compute
the Tentative Purchase Price
as of January 3, 1972

Assets

<u>Receivables</u>	<u>Source</u>		<u>Total Amount For New Jersey Operations</u>
	<u>New Jersey Ledger</u>	<u>Corporate Ledger</u>	
Acct. #130	\$ -	\$3,412,956.44	\$3,412,956.44
131	-	(38,192.53)	(38,192.53)
132	-	(341,000.00)	(341,000.00)
133	-	200,672.46	200,672.46
135	50,181.69	13,520.60	63,702.29
136	10,341.19	-	10,341.19
138	1,375.13	-	1,375.13
140	-	-	-0-
			<u>\$3,309,854.98</u>

Inventories

Acct. #150	1,598,363.92	-	1,598,363.92
155	984,954.00	30,559.00	1,015,513.00
160	2,966,528.00	76,000.00	3,042,528.00
166	58,515.04	-	58,515.04
167	-	-	-0-
168	-	-	-0-
170	-	(159,603.00)	(159,603.00)
171	(101,222.00)	-	(101,222.00)
			<u>\$5,454,094.96</u>

Prepays

Acct. #180	-	-	-0-
181	-	-	-0-
183	12,375.00	-	12,375.00
184	-	-	-0-
			<u>\$ 12,375.00</u>

New Jersey Operations
Balance Sheet Accounts Used to Compute
the Tentative Purchase Price
as of January 3, 1972

Liabilities

<u>Receivables</u>	Source		<u>Total Amount For New Jersey Operations</u>
	New Jersey Ledger	Corporate Ledger	

Accounts Payable

Acct. #200	\$ 501,000.40	\$ 4,821.00	\$ 505,821.40
201	-	-	-0-
202	-	-	-0-
240	1,295,311.55	19,920.46	1,315,232.01
241	20,182.00	-	20,182.00
242	26,334.45	-	26,334.45
243	66,350.94	-	66,350.95
			\$1,933,920.81

Accruals

Acct. #248	3,082.50	-	3,082.50
252	111,303.92	-	111,303.92
			\$ 114,386.42

General Reserves

Acct. #272	-	-	\$ -0-
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Paragraph 2.

In conducting the Adjustment Audit, Haskins & Sells shall ascertain in particular that, subject to the second sentence of this paragraph, in all material respects (i) the book values of the classes of assets and classes of liabilities upon which the purchase price is based have been determined at the Closing Date in accordance with generally accepted accounting principles applied on a basis consistent with the basis used for the preparation of Paragraph 1 of Schedule D as of January 3, 1972, (ii) such book values shall not take into consideration those adjustments made by Federal in accounting for the Federal-Riegel merger under the purchase method and (iii) such book values have been determined by using the same methods of allocation and the same accounting records as were used for the preparation of Paragraph 1 of Schedule D as of January 3, 1972. The aforementioned values at the Closing Date shall reflect the following agreements between the parties:

(a) No plant order jobs in process will be closed out of Account No. 284 between January 3, 1972 and the Closing Date;

(b) Reserve for Contingencies - Customers' Bad Debts (Account No. 132) is fixed at \$341,000 and will not fluctuate;

(c) That portion of the reserve for intra-division profit on inventory (Account No. 171) recorded on the New Jersey Ledger that is attributable to products manufactured at Riegelwood, North Carolina is fixed at \$42,000 and will not fluctuate;

(d) Additional land discussed in Paragraph A(2) of Schedule A is fixed at \$42,000;

(e) No accrual for pensions shall be taken into account; and

(f) The books of account for the New Jersey Operations will be held open for fourteen (14) calendar days and will be held open for an additional sixteen (16) calendar days to reflect individual items of unrecorded liabilities amounting to \$1,000.00 or more.

ASSUMPTION

KNOW THAT the undersigned, Riegel Products Corporation, a Delaware corporation ("RPC"), in consideration of the conveyance, sale, assignment and transfer to it of the assets and properties consisting of and including all of the business and related operations (the "New Jersey Operations") of Federal Paper Board Company, Inc., a New York corporation ("Federal"), which are conducted in and/or from Federal's mills, plants, offices and facilities located at the four New Jersey Mills described in Paragraph A(1) of Schedule A attached to a certain Purchase Agreement, dated February 23, 1972, between RPC and Federal (the "Agreement"), together with all assets and properties of Federal, real and personal, tangible and intangible, directly attributable to the New Jersey Operations on the date hereof does hereby assume, pursuant to Section 1 of the Agreement

(a) all of Federal's debts and liabilities of every kind, character or description, whether known or unknown, whether disclosed or undisclosed, whether accrued, absolute, contingent or otherwise, and whether or not reflected or reserved against in Schedules A or B to the Agreement and which are directly attributable to the New Jersey Operations, as

the same exist on the date hereof, and does hereby agree to pay, perform and discharge, when due, all of the said debts and liabilities;

(b) all of the duties and obligations to be performed and discharged by Federal after the Closing Date under (i) the contracts, agreements and commitments of Federal existing on January 3, 1972 and directly attributable to the New Jersey Operations, including, but not by way of limitation, those listed or described in Schedule B to the Agreement, and (ii) the contracts, agreements and commitments entered into on or after January 3, 1972 by those officers or employees of Federal who were employed in the New Jersey Operations on or subsequent to January 3, 1972;

provided that RPC does not assume or agree to pay, perform or discharge any liability of obligation which Schedule C to this Agreement provides shall not be assumed by RPC.

IN WITNESS WHEREOF, the undersigned has caused its corporate name to be hereunto subscribed and its corporate seal to be hereunto affixed by its officers thereunto duly authorized as of the day of , 1972.

^{PRODUCTS}
RIEDEL ~~POWER~~ CORPORATION

By _____
President

Attest:

[illegible]

On the day of , 1972, before me personally came William Riegel to me known, who being by me duly sworn, did depose and say that he resides at ; that he is the President of Riegel Products Corporation, the Delaware corporation described in and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that he signed his name thereto by like order.

Notary Public

ASSUMPTION

KNOW THAT the undersigned, Riegel Products Corporation, a Delaware corporation ("RPC"), in consideration of the conveyance, sale, assignment and transfer to it of the assets and properties consisting of and including all of the business and related operations (the "New Jersey Operations") of Federal Paper Board Company, Inc., a New York corporation ("Federal"), which are conducted in and/or from Federal's mills, plants, offices and facilities located at the four New Jersey Mills described in Paragraph A(1) of Schedule A attached to a certain Purchase Agreement, dated February 23, 1972, between RPC and Federal (the "Agreement"), together with all assets and properties of Federal, real and personal, tangible and intangible, directly attributable to the New Jersey Operations on the date hereof does hereby assume, pursuant to Section 1 of the Agreement

(a) all of Federal's debts and liabilities of every kind, character or description, whether known or unknown, whether disclosed or undisclosed, whether accrued, absolute, contingent or otherwise, and whether or not reflected or reserved against in Schedules A or B to the Agreement and which are directly attributable to the New Jersey Operations, as the same exist on the date hereof, and does hereby

- 2 -

agree to pay, perform and discharge, when due, all of the said debts and liabilities;

(b) all of the duties and obligations to be performed and discharged by Federal after the Closing Date under (i) the contracts, agreements and commitments of Federal existing on January 3, 1972 and directly attributable to the New Jersey Operations, including, but not by way of limitation, those listed or described in Schedule B to the Agreement, and (ii) the contracts, agreements and commitments entered into on or after January 3, 1972 by those officers or employees of Federal who were employed in the New Jersey Operations on or subsequent to January 3, 1972;

provided that RPC does not assume or agree to pay, perform or discharge any liability or obligation which Schedule C to this Agreement provides shall not be assumed by RPC.

IN WITNESS WHEREOF, the undersigned has caused its corporate name to be hereunto subscribed and its corporate seal to be hereunto affixed by its officers thereunto duly authorized as of the 3rd day of April, 1972.

RIEDEL PRODUCTS CORPORATION

Attest:

By

Walter A. Rye
President

John E. Gagar

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On the 3rd day of April, 1972, before me personally came William M. Riegel to me known who being by me duly sworn, did depose and say that he resides at Black River Road, Far Hills, New Jersey ; that he is the President of Riegel Products Corporation, the Delaware corporation described in and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that he signed his name thereto by like order.

Joy Mastromauro
Notary Public

JOY MASTROMAURO
Notary Public, State of New York
No. 41-7757605
Qualified in Queens County
Commission Expires March 30, 1974

